THE WHITE HOUSE

WASHINGTON

July 17, 1987

MEMORANDUM FOR ARTHUR B. CULVAHOUSE, JR.

FROM:

WILLIAM B. LYTTON III

SUBJECT:

SUMMARY OF TESTIMONY OF ADMIRAL JOHN POINDEXTER

JULY 17, 19987

I. Overview

In response to criticism from Poindexter's counsel that committee members had publicly stated that they did not believe Poindexter's testimony, Chairman Inouye stated that, in view of Poindexter's concession that he withheld information and misled Congress, he did not believe it improper for members to comment that Poindexter's testimony was "mind-boggling," "incredible," and "chilling." In the afternoon, however, Senator Rudman stated that he believed Poindexter's testimony (that the President was not informed about diversion).

Poindexter testified that he would not lie before the Committee to protect the President. He added that he could not remember an instance of the President saying, in substance, "this [operation] is too risky, don't bring things like this to my attention again."

Poindexter testified that he authorized North to meet with Representative Hamilton in the summer of 1986, concerning a proposed House Resolution of Inquiry, on the understanding that North would be evasive and withhold information. Poindexter stated that he favored withholding information from Congress, in part, to avoid "outside interference" that could lead to more restrictive legislation on NSC activities. House Majority Counsel Nields insinuated that, under Poindexter's view, it would constitute "outside interference" for Congress to gather information as a basis for enacting what it deemed appropriate legislation.

II. The President's Involvement

A. <u>Diversion</u>

Poindexter testified that he still believes the President would have approved the diversion, and that contrary statements by Marlin Fitzwater do not persuade him otherwise. Senator Nunn suggested that Fitzwater's statements, on behalf of the President, were now misleading the American people. When Minority Counsel Leon pointed out that the President has stated that he would not have approved the diversion had he known of it, Poindexter replied, "that's part of deniability."

Poindexter testified that he decided not to inform the President about diversion on the basis of his long experience in government and his "long time working with this President." Nields questioned whether Poindexter believed the President wanted "deniability rather than responsibility." In response Poindexter testified that the President never indicated that he did not want to be responsible for his own decisions.

Asked about early press reports that he was constructing a legal defense around the allegation that he had told the President that the Contras were being helped as an ancillary benefit of the Iran initiative, Poindexter said those reports were erroneous. Poindexter stated that he has never told anyone that the President was informed about the diversion.

Poindexter stated he had no reason to believe North told the President about diversion without telling Poindexter first. Poindexter also testified that he has no reason to believe that the President found out about diversion from Casey or anyone else.

Nunn questioned whether Poindexter had possibly forgotten about the five diversion memoranda, about which North testified, in view of the fact that Poindexter had conceded having forgotten about the November 1985 Finding. Poindexter reiterated his testimony that he recalled no such memoranda. Furthermore, he stated that he "very seriously doubted" that the five memoranda would have gone to the President without Poindexter's knowledge.

Poindexter testified that Attorney General Meese did not ask him whether the President knew about the diversion, or about the basis on which Poindexter authorized it.

B. Boland Amendment

Nothing to report.

C. Iran Operation

Poindexter testified that he was certain the President had forgotten about the November 1985 Finding, as had Poindexter, by the time the Iran arms initiative was publicly reported.

Senator Nunn commented that the Administration's position that the Iranians do not control Hizbollah (and that the USG therefore was not dealing with hostage takers) is inconsistent with having required the Iranians to effect the hostages' release as an indication of good faith and a precondition to improved Iranian-American relations.

D. Third Country Aid to Contras

Nothing to report.

E. Private Support to Contras

Nothing to report.

F. November 1986 Chronologies

Poindexter again testified that he did not remember, when preparing the November 1986 Chronologies, that he had contemporaneous knowledge that HAWKs had been shipped in November 1985. Poindexter denied that he destroyed the November 1985 Finding to cover-up the fact that Administration officials had known HAWKs were involved.

III. Continuation of Hearing

Poindexter's testimony will resume at Monday at 9:00 a.m.